

BOARD OF ECONOMIC DEVELOPMENT  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
TUESDAY, NOVEMBER 13, 2012 – 10:00 AM CT

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein , Sharon Casey, Tom Burchill, Mike Luken, Mark Mickelson, Tim Kessler, Ted Hustead

Staff Present

Commissioner Pat Costello, Kim Easland, Ashley Moore, Travis Dovre, Dale Knapp, Jacob Wagner

Other Staff Present

Mandy Kuipers- BankWest, Loan Servicing Agent

Call to Order

Chairman Erickson called the meeting to order at 10:05 am.

Agenda

A motion was made by Tim Kessler and seconded by Tom Burchill to approve the agenda as amended to show consideration for JH Investments, LLC.

Motion prevailed by a unanimous roll call vote.

Minutes

A motion was made by Sharon Casey and seconded by Mike Luken to approve the minutes of October 9, 2012 and October 24, 2012 as presented.

Motion prevailed by unanimous roll call vote.

Annual Report/Audit Report

A motion was made by Tony Klein and seconded by Dale Clement to approve the 2012 Annual Report/audit Report as presented.

Motion prevailed by unanimous roll call vote.

South Dakota Division of Banking- Report from Examination

A motion was made by Tom Burchill and seconded by Ted Hustead to accept the exam as presented.

Motion prevailed by unanimous roll call vote.

Wells Fargo Parity Agreement

A motion was made by Ted Hustead and seconded by Tim Kessler to approve the Parity Agreement as a standard document with Wells Fargo only.

Motion prevailed by unanimous roll call vote.

Executive Session

A motion was made by Sharon Casey seconded by Mike Luken to enter into executive session at 10:17 am. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion prevailed by unanimous roll call vote.

Executive Session Report

The Chairman declared the board out of executive session at 11:29 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss commercial and financial information relating to loan and other assistance to applicants.

A motion was made by Tim Kessler and seconded by Mike Luken approve the chairman's report from executive session.

Motion prevailed by unanimous roll call vote.

#### Loan Reviews

Dakota Real Properties, LLC, Falcon Plastics, Inc., and Shinamerica, Inc.

A motion was made by Mike Luken and seconded by Mark Mickelson to approve the loan reviews and recommendations as presented.

Motion prevailed by unanimous roll call vote

#### Old Business

Falcon Plastics, Inc.

A motion was made by Tim Kessler and seconded by Tom Burchill to approve extending the loan for 5 years and reducing the interest rate to 2%.

Motion prevailed by unanimous roll call vote

#### Lake Francis Case/A Square

A motion was made by Mike Luken and seconded by Sharon Casey to approve up to a 6 month moratorium on payments.

Motion prevailed by unanimous roll call vote

#### Pure Pulp Products, Inc.

A motion was made by Tom Burchill and seconded by Tim Kessler to approve staff recommendation and move forward with the company restructure as presented.

Motion prevailed by unanimous roll call vote

#### BME Management LLC

A motion was made by Dale Clement and seconded by Tony Klein to approve returning remaining funds and start repayment for the portion that has been drawn.

Motion prevailed by unanimous roll call vote

#### Dakota Style, Inc.

A motion was made by Mike Luken and seconded by Tim Kessler to approve extending the projects allocation period from June 2012 to November 2013.

Motion prevailed by unanimous roll call vote

#### JH Investments, LLC

A motion was made by Tony Klein and seconded by Mike Luken to approve the subordination and put in place a loan covenants as presented.

Motion prevailed by unanimous roll call vote

#### New Business

MW Properties, LLC and Midwest Constructions, Inc.

A motion was made by Tom Burchill and seconded by Mark Mickelson to approve the loan request from MW Properties, LLC and Midwest Construction, Inc. in the amount of \$700,000.

Secured by a shared first position on the project real state and mixer and person and corporate guarantees.

The loan is approved according to the terms and conditions of the commitment letter and that all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion prevailed by unanimous roll call vote

Bills

A motion was made by Ted Hustead and seconded by Tim Kessler to approve the bills payable to BankWest in the amount of \$12,344.74 for the October Servicing, Dakota Furniture Installation LLC in the amount of \$12,357.00 for the move of offices back to Capital Lake Plaza and Clausen & Rice, LLP in the amount of \$14,000.00 for Annual Audit Work.

Motion prevailed by unanimous roll call vote.

Adjourn

A motion was made by Ted Hustead and seconded by Tony Klein to adjourn the meeting at 11:36 am.

Motion prevailed by unanimous roll call vote.

  
\_\_\_\_\_  
Dale Clement, Secretary